

Message Text

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ORIGIN L-03

INFO OCT-01 NEA-10 ISO-00 OES-06 COME-00 DODE-00 EB-07

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DRAFTED BY L/OES/JUBAILLY:SCH
APPROVED BY L/OES/MR.LEITZELL
MSC: R. STICKLES (PHONE)
MARAD - MR. CAVANAUGH (PHONE)
NEA/INS - MR. GRAHAME
B/TCA/MA - MR. JOHE
DESIRED DISTRIBUTION
DOD/ISA - MR. LEISER

----- 086808

R 261351Z OCT 76
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI
INFO AMCONSUL MADRAS
AMCONSUL BOMBAY

UNCLAS STATE 263579

E.O. 11652: N/A

TAGS: OGEN, EWWT, PLOS

SUBJECT: SALE OF S.S. TRANS HURON

REF: (A) MADRAS 1749 (DTG 231000Z SEP 1976)
(B) DSRI/ NEW DELHI 3518
(C) MARAD WA-76-0701 (DTG 271258 Z SEP 1976)

MARAD HAS INFORMED DEPARTMENT THAT REF (C) CONTAINED INFORMATION REQUIRED TO ANSWER REFS (A) AND (B). MR. BURT KYLE, DIRECTOR OF MARAD'S OFFICE OF DOMESTIC SHIPPING HAS PROVIDED US WITH THE FOLLOWING INFORMATION ON REF SUBJECT:
B I N T T:

IN APRIL 1975, NEW INDIA STEEL, REPRESENTED BY
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DORIARAJ AS MANAGING PARTNER, ENTERED AGREEMENT WITH MARAD

TO TRANSFER THE UNITED STATES GOVERNMENT'S RIGHT, TITLE, AND INTEREST IN THE WRECK OF THE TRANS HURON FOR THE U.S. DOLLAR EQUIVALENT OF RS 101,000 ON AN "AS IS, WHERE IS" BASIS, WITH ALL CHARGES AGAINST THE WRECK TO BE FOR THE ACCOUNT OF NEW INDIA STEEL.

IN MAY, 1975, TELEX NEW INDIA STEEL INDICATED IT HAD APPLIED FOR RESERVE BANK PERMISSION TO RELEASE FUNDS FOR THE TRANSACTION, AND ASKED MARAD TO ADVISE THE ADMINISTRATOR OF LACKSHADWEEP OF THE TRANSACTION WHICH MARAD DID

ON MAY 9, 1975.

THE ADMINISTRATOR PROPOSED TO AUCTION THE WRECK ON MAY 21, 1975, WHICH WAS APPARENTLY FORESTALLED BY THE DORIARAJ INJUNCTION. NEW INDIA STEEL CABLED MARAD ON MAY 19, 1975, AND ASKED FOR THE EXPEDITIOUS PREPARATION OF A BILL OF SALE. ON MAY 20, 1975, MARAD CABLED AND INVITED NEW INDIA STEEL TO NOMINATE AN ESCROW AGENT WITH WHOM MARAD WOULD DEPOSIT THE BILL OF SALE FOR RELEASE TO NEW INDIA STEEL UPON ITS DEPOSIT OF THE SALE PROCEEDS.

IN MAY 25, 1975 LETTER, NEW INDIA STEEL INDICATED THAT THE STATE BANK OF INDIA WOULD REMIT FUNDS THROUGH ITS NEW YORK OFFICE. FROM THIS POINT FORWARD, MARAD RECEIVED ONLY INTERMITTANT COMMUNICATIONS FROM NEW INDIA STEEL INDICATING DIFFICULTY IN SECURING NECESSARY RESERVE BANK PERMISSION FOR RELEASE OF FUNDS. MARAD RECEIVED ANOTHER OFFER NOT SERIOUS, AND ON APRIL 21, 1976, SENT THE LETTER TO WHICH THE ADMINISTRATOR REFERS.

BY LETTER OF MAY 12, 1976, NEW INDIA STEEL STATED THAT THE PROBLEM WAS IN SECURING PERMISSION FROM THE GOVERNMENT OF INDIA MINISTRY OF FINANCE, AND INDICATED THAT TRANSMITTAL OF A BILL OF SALE TO AN ESCROW AGENT IN INDIA WOULD FACILITATE MATTERS. NEW INDIA STEEL NOMINATED THE INDIAN BANK, 32/33 LINGHI CHETTY STREET, MADRAS 6000001, AS ESCROW AGENT.

AFTER RECEIPT OF THE BANK'S ACKNOWLEDGEMENT OF UNCLASSIFIED

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THE ARRANGEMENT, ON JULY 19, 1976 MARAD TRANSMITTED TO THE BANK AN EXECUTED BILL OF SALE TRANSFERRING, ON AN "AS IS, WHERE IS" BASIS ALL RIGHT, TITLE AND INTEREST OF THE UNITED STATES IN THE TRANS HURON TO NEW INDIA STEEL. THE BILL OF SALE IS UNCONDITIONAL.

ACCORDINGLY, I AM ADVISED BY COUNSEL THAT DORIARA AS THE HOLDER OF THIS INSTRUMENT, WHICH WAS VALIDLY EXE-

CUTED UNDER PROPERLY DELEGATED AUTHORITY FROM THE SECRETARY
OF COMMERCE, SUCCEEDS TO ALL RIGHT, TITLE AND INTEREST IN
THE TRANS HURON WHICH WAS FORMERLY HELD BY THE UNITED STATES
AND THAT HE MAY DEAL WITH THE ADMINISTRATOR ON THAT BASIS.
SINCE TITLE HAS PASSED TO HIM HE MAY ASSERT OWNERSHIP OF
THE VESSEL.

WILL BE PLEASED TO TRANSMIT FURTHER INFO AS
REQUIRED. END TEXT KISSINGER

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Margaret P. Grafeld
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